

# Update

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## TEACHER RETIREMENT SYSTEM OF TEXAS

### ***TRS-HRAccount program to begin September 1***

On July 23, 2004, the TRS Board of Trustees approved a motion to continue implementation of the TRS-HRAccount program, which will go into effect on September 1, 2004. In June, the board temporarily suspended implementation of the TRS-HRAccount program to clarify legislative intent regarding funding for the program.

A TRS-HRAccount will be established and credited each month for each eligible employee based on your monthly eligibility file submitted to Aetna, the program administrator. To ensure that eligible employees will have access to their TRS-HRAccount funds as soon as possible, you are required to submit this file by the 10<sup>th</sup> of each month or, if the 10<sup>th</sup> is not a business day, the first business day following the 10<sup>th</sup>. While the 10<sup>th</sup> is the deadline, Aetna will accept and process your monthly file even if it is submitted past the 10<sup>th</sup>. Please remember that employees will not have access to their TRS-HRAccount until you have submitted the eligibility file for the month.

*Also, please remember that there is a 90-day waiting period for eligibility for TRS-HRAccount funding for individuals hired on or after September 1, 2003 who are not yet TRS members.* For example, a person who is not a TRS member begins employment on September 12, 2004. Ninety days later, on December 11, 2004, the individual becomes eligible for TRS-HRAccount funding. The individual will receive the entire applicable credit for the month of December; *i.e.*, the credit is not pro-rated.

Newly hired employees who are already TRS members on their date of employment, who are not professionals, and who are not employees or retirees eligible for group insurance under ERS, UT System, or A&M System, are eligible to participate in the first month of employment. Once Aetna receives eligibility information, the individual will receive the full month's credit.

Your district/entity will soon receive TRS-HRAccount posters that you can place in common employee areas. To best serve participants in the program, there has been a change regarding the postcard that was originally to be bulk-shipped in August to your district/entity for distribution to your employees. The postcard has been replaced with a comprehensive Information Guide, which provides detailed information about the program. This guide will answer many of the questions your employees may have about the program. The Information Guide will be bulk-shipped to your district/entity by the end of August. Please distribute the guide to your employees. *The Information Guide is also currently on the TRS Web site, [www.trs.state.tx.us](http://www.trs.state.tx.us).* A Spanish version of the Information Guide is being developed and will be on the TRS Web site soon.

The Information Guide replaces the welcome kit that was originally to be mailed directly to participants upon receipt of the first eligibility file. Now, upon receipt of the first eligibility file, Aetna will send a notification directly to participants that a TRS-HRAccount has been established. Two *optional* TRS-HRAccount cards will be included in this notification. If the participant chooses to activate the TRS-HRAccount card, a \$1.00 administrative fee will be charged to the account each month.

TRS appreciates your continued cooperation toward the smooth implementation of this program. For more information about TRS-HRAccount, please contact Aetna Participant Services at 1-800-437-3666. Also, the TRS Web site, [www.trs.state.tx.us](http://www.trs.state.tx.us), is continuously updated with the most current information available about the new program.

### ***Compensation Supplement***

The new TRS-HRAccount program will replace the compensation supplement effective September 1, 2004. However, the compensation supplement is still in effect through August 31, 2004.

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**Employees hired after September 1, 2003 who were not yet TRS members on their employment date are subject to a 90-day waiting period for the compensation supplement.** For example, a new hire who is not a TRS member begins employment on August 12, 2004. The employee is not eligible for the compensation supplement in August 2004. (Note that the employee is also not eligible for TRS-HRAccount funding until November, after fulfilling the 90-day waiting period. See the TRS-HRAccount article in this *Update* issue.)

Individuals hired after September 1, 2003, but prior to September 1, 2004 (for example, in July or August 2004) who are TRS members and are not professionals are eligible for the compensation supplement. For example, a new hire who is a TRS member begins employment on August 12, 2004. The employee is eligible for the compensation supplement for the month of August 2004. Please remember that an employee is eligible to receive the compensation supplement from only one district/entity per month. In this example, if the employee is already receiving the compensation supplement for August from the prior employer, the employee is not eligible for the compensation supplement from your district/entity.

**September 30, 2004 is the final deadline** for reporting the total number of full-time, non-professional employees, part-time, non-professional employees, and professional employees who are TRS members, and the total number of TRS members covered by group health care on the Foundation School Program (FSP) system for fiscal year 2004. Please remember that **no adjustments to your FSP reported totals will be accepted by TRS after the September 30 deadline.**

### ***Clarification regarding submittal of TRS 5 forms***

Please remember to include your employees' Social Security numbers whenever you submit TRS 5 Enrollment Forms to TRS. Otherwise, TRS must return the forms so that they can be properly completed.

Entities that use the TRS Reporting and Query System (TRAQS) *do not* have to submit TRS 5 forms to TRS.

### ***Petitions to nominate candidates for 2005 board elections now available from TRS***

Elections to fill two seats on the TRS Board of Trustees will be held in the spring of 2005. Qualifying higher education employees can vote in one election and qualifying retirees can vote in the other election. Additional details can be found in the July 2004 *TRS News* and on the TRS Web site.

Nominating petitions may be obtained through the TRS Web site; by writing TRS at 1000 Red River Street, Austin, Texas 78701-2698; by calling 1-800-223-8778, extension 6366; or by faxing a request to 1-512-542-6585.

### ***Child nutrition reimbursement rate for the 2004-2005 school year***

The 2004-05 reimbursement rate for regular price lunches to be used in completing the form TRS 154, "Monthly Child Nutrition Worksheet," is \$.21 for districts in which **less than 60 percent** of the lunches served during the second preceding school year were served free or at a reduced price. The rate is \$.23 for districts in which **60 percent or more** of the lunches served during the second preceding year were served free or at a reduced price.

### ***TRS offices closed on Labor Day***

TRS's administrative offices in Austin will be closed on Monday, September 6, 2004, for Labor Day.